



News Release

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**U.S. TREASURY, IRS LAUNCH
ONLINE OPTION FOR PAYING FEDERAL TAXES**

WASHINGTON -- Treasury Deputy Secretary Ken Dam, Commissioner Charles O. Rossotti of the Internal Revenue Service (IRS) and Commissioner Richard L. Gregg of the Financial Management Service (FMS) announced today that businesses and individuals can now pay their taxes using the Internet.

At a press conference held this morning in Washington, D.C., Deputy Secretary Dam and Commissioners Rossotti and Gregg launched the federal government's newest option of the Electronic Federal Tax Payment System (EFTPSsm), EFTPS-OnLine, which allows businesses and individuals to pay all federal taxes through a secure Web site.

"EFTPS-OnLine provides a convenient and secure method for paying taxes that is consistent with the way people do business," Rossotti said. "The Internet is an increasingly integral part of today's business community. It makes sense to offer an online option for paying taxes."

EFTPS was originally introduced in November 1996, and since that time businesses have used it to pay more than \$5.7 trillion in federal taxes. Today's announcement highlights the federal government's commitment to utilizing technology to serve the needs of the taxpayer.

"As the federal government's cash manager," said FMS Commissioner Gregg, "FMS has the responsibility to help federal agencies find better ways to meet their customers' financial needs. EFTPS-OnLine provides a convenient way for businesses to pay their taxes but also offers a tremendous advantage for individuals who pay estimated tax." In addition to paying estimated tax, individuals can use EFTPS-OnLine to pay a balance due with their return.

Businesses and individuals can enroll for EFTPS-OnLine via the Internet, using a user-friendly Web interface. After enrollment, taxpayers will receive a confirmation kit by mail with instructions for obtaining an Internet password. A unique Personal Identification Number (PIN) will be mailed separately, to new EFTPS users, for added security.

Planning for EFTPS-OnLine started over three years ago with special consideration paid to security. "Confidentiality and privacy of taxpayer information is the highest priority at the IRS. EFTPS-OnLine users should feel confident that their private information will be protected," Rossotti said. The site exceeds private industry best practices with designs for prevention, detection and containment responses.

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Some business taxpayers are required to use EFTPS because their total deposits of designated federal taxes exceed \$200,000 during a calendar year. These taxpayers are required to use EFTPS beginning in the second succeeding calendar year. Each year the IRS notifies taxpayers who are required to pay through EFTPS.

For added convenience and control, EFTPS-OnLine allows individual taxpayers to schedule payments up to 365 days in advance. Business taxpayers can schedule payments up to 120 days in advance. EFTPS-OnLine continues to provide the many conveniences of the EFTPS-Phone and PC-Software options. New features include an instant, printable EFT Acknowledgement Number as documentation of every transaction and access to payment history for up to 120 days.

According to Gregg, "For years, FMS has been a leader in shifting government payments and collections from paper to electronic. EFTPS-OnLine allows us to take that process one step further and provide customers with online accounting and record-keeping information."

"And because the system is available 24 hours a day, 7 days a week, it enables businesses and individuals to pay their taxes from virtually anywhere," Gregg added.

EFTPS-OnLine has been in its pilot stage since October 2000. Like other methods of EFTPS, the online option is a service offered free to taxpayers by the U.S. Department of the Treasury.

For more information, visit www.eftps.gov or call 1-800-555-4477 or 1-800-945-8400.

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About EFTPS-OnLine

Since 1996, more than 3.5 million businesses and individuals have enrolled in the Electronic Federal Tax Payment System (EFTPS). A service offered free from the U.S. Department of the Treasury, EFTPS provides businesses and individuals with a convenient, secure means to pay all federal taxes, 24 hours a day, seven days a week. EFTPS-OnLine provides the many conveniences of the phone and PC software options while adding useful new features including an instant, printable EFT Acknowledgement Number for records after every transaction and access to payment history for up to 120 days.